

## Health Policy Update – July 9, 2019

### **Ben Jones: Oncologists Still Face Challenges When Trying to Extract Data From EHRs**

At the ACCC Annual Meeting & Cancer Center Business Summit, Ben Jones, Vice President, Government Relations & Public Policy at McKesson Specialty Provider, sat down to discuss the importance of capturing real-world clinical evidence in electronic health records (EHRs). During the interview, Jones was also asked about obstacles that oncologists face when trying to obtain data for electronic health records.

To read the AJMC interview, [CLICK HERE](#).

### **House GOP Doctors Caucus Sends Letter to HHS Secretary Over Step Therapy Concerns**

On July 1, members of the House GOP Doctors Caucus sent a letter to HHS Secretary Alex Azar and CMS Administrator Seema Verma to express concerns over the use of step therapy for Part B drugs in Medicare Advantage.

The letter was signed by 14 lawmakers, including Co-Chairs Congressmen Phil Roe, MD (TN-01) and Andy Harris, MD (MD-01). The lawmakers express concern that, “requiring these beneficiaries to step through a plan’s arbitrarily selected drug regimen before accessing the treatment appropriately recommended by their provider can have devastating consequences.” The letter states, “with this policy’s potential to result in irreversible disease progression or death, complications and hospitalizations, as well as increased costs for Medicare and its beneficiaries, we ask the Administration to reconsider this policy.”

To view the Doc Caucus letter, [CLICK HERE](#).

### **President Trump Issues Executive Order on Pricing Transparency**

On June 24, the President signed an Executive Order (EO) aimed at improving price transparency in order to promote competition and lower healthcare costs. Among the Executive Order’s directives to various federal agencies, the EO directs HHS to propose regulations requiring hospitals to publicly post negotiated rate information, including services or fees billed by employees of the hospital.

While some experts [applauded](#) the rule as a step towards increased transparency, the president and CEO of America’s Health Insurance Plans (AHIP) [warned](#), “publicly disclosing competitively negotiated, proprietary rates will reduce competition and push prices higher – not lower – for consumers, patients, and taxpayers.”

The provisions within the EO do not take effect immediately; instead, the EO directs the various agencies to develop the details of the policy through the rulemaking process, which allows for stakeholder input.

To read the Executive Order, [CLICK HERE](#).

To read the Fact Sheet, [CLICK HERE](#).

## **CAP Study Confirms High Price of Hospital Care**

On June 26, the Center for American Progress (CAP) released a report, “The High Price of Hospital Care,” which concludes variation in hospital prices across markets, across payers, and over time demonstrates that many Americans are paying too much for hospital care.

According to the report, per capita health care expenditures climbed to \$10,739 in 2017 and are expected to rise another 5.5 percent over the next decade. Hospital-based care is the largest driver of rising costs.

The United States is currently projected to spend \$1.9 trillion alone on hospital-based care this year, [with hospitals receiving \\$1 out of every \\$3 spent on health care](#). Additionally, the hospital industry as a whole beat out both the pharmaceutical and insurance industries when it comes to its margins, which are estimated at 8 percent.

As mergers and acquisitions have climbed, conglomerates have increased their market power substantially. While there are other factors, such as local input costs and different styles of practice, [price variation is still the main driver](#) for geographic variation in expenses for those with private insurance.

The report also recommends site neutral payment reforms, stating, “Expanding site neutrality policies to level payments across additional settings such as between physician offices and hospitals outpatient departments, where clinically appropriate, would benefit taxpayers and Medicare beneficiaries alike.”

To view the CAP study, [CLICK HERE](#).

## **Lower Health Care Costs Act Passes HELP Committee**

On Tuesday, June 26 the Senate Health, Education, Labor, and Pensions (HELP) Committee voted to pass the Lower Health Care Costs Act – S. 1895 – by an overwhelming majority, 20 to 3. The wide-ranging, bipartisan bill led by Chairman Lamar Alexander (R-TN) and Ranking Member Patty Murray (D-WA) addressed the following issues: Ending Surprise Medical Bills, Reducing the Prices of Prescription Drugs, Improving Transparency in Health Care, Improving Public Health, and Improving the Exchange of Health Information.

The committee adopted several amendments, including one by Senators Tammy Baldwin (D-WI) and Mike Braun (R-IN), which would require manufacturers to report drug prices with increases over a certain threshold. The legislation also includes language to raise the minimum age for purchasing tobacco products from 18 to 21, and the CREATES Act, which aims to bring more generic drugs to market by eliminating anti-competitive practices by brand drug makers.

To read Chairman Alexander’s statement, [CLICK HERE](#).

## **Senate Judiciary Committee Advances Prescription Drug Pricing Legislation**

On Thursday, June 27 the Senate Judiciary Committee passed four bills to lower the costs of prescription drugs.

- S. 1227, the Prescription for the People Act of 2019, co-sponsored by Senators Chuck Grassley (R-IA), Maria Cantwell (D-WA), Thom Tillis (R-NC), Richard Blumenthal (D-CT), Joni Ernst (R-IA), and Marsha Blackburn (R-TN), would require the Federal Trade Commission (FTC) to examine the role of intermediaries in the pharmaceutical supply chain and provide recommendations to Congress. It passed unanimously.
- S. 440, the PACED Act, co-sponsored by Senators Tom Cotton (R-AR) and Ernst. The bill asserts that patent owners may not claim sovereign immunity as a defense against certain actions taken before the U.S. Patent and Trademark Office. It passed on a straight party line vote (Republican majority).
- S. 1224, the Stop STALLING Act, co-sponsored by Senators Amy Klobuchar (D-MN) and Grassley. The bill would permit the FTC to prevent the filing of “sham” citizen petitions. It passed unanimously.
- S. 1416, the Affordable Prescriptions for Patients Act 2019, co-sponsored by Senators John Cornyn (R-TX), Josh Hawley (R-MO), John Kennedy (R-LA), and Grassley. The bill seeks to curb manufacturer anti-competitive use of patents via FTC oversight. It passed unanimously.

The Senate Judiciary Committee is working alongside the Senate HELP and Finance Committees on drug pricing. Bills from all three committees are expected to be combined into a single package and brought to the Senate floor for a vote later this year.

To read the Committee statement, [CLICK HERE](#).